

Adopted	Rejected
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COMMITTEE REPORT

YES:	8
NO:	3

MR. SPEAKER:

Your Committee on **Insurance**, to which was referred House Bill 1323, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Replace the effective dates in SECTIONS 1 through 4 with
- 2 "[EFFECTIVE UPON PASSAGE]".
- 3 Page 1, line 3, after "(a)" insert "**As used in this section, “dialysis**
- 4 **facility” means an outpatient facility in Indiana at which a dialysis**
- 5 **treatment provider provides dialysis treatment.**
- 6 **(b) As used in this section, “contracted dialysis facility” means**
- 7 **a dialysis facility that has entered into an agreement with a**
- 8 **particular insurer under section 3 of this chapter.**
- 9 **(c).**
- 10 Page 1, line 6, delete "(b)" and insert "**(d)**".
- 11 Page 1, between lines 8 and 9, begin a new paragraph and insert:
- 12 "**(e) As used in this section, “non-contracted dialysis facility”**
- 13 **means a dialysis facility that has not entered into an agreement**
- 14 **with a particular insurer under section 3 of this chapter.**".
- 15 Page 1, line 9, delete "(c)" and insert "**(f)**".
- 16 Page 1, line 10, after "." insert "**The term does not include the**

1 following:

- 2 (1) Accident-only, credit, dental, vision, Medicare supplement,
- 3 long term care, or disability income insurance.
- 4 (2) Coverage issued as a supplement to liability insurance.
- 5 (3) Worker's compensation or similar insurance.
- 6 (4) Automobile medical payment insurance.
- 7 (5) A specified disease policy issued as an individual policy.
- 8 (6) A limited benefit health insurance policy issued as an
- 9 individual policy.
- 10 (7) A short term insurance plan that:
- 11 (A) may not be renewed; and
- 12 (B) has a duration of not more than six (6) months.
- 13 (8) A policy that provides a stipulated daily, weekly, or
- 14 monthly payment to an insured during hospital confinement,
- 15 without regard to the actual expense of the confinement."

16 Page 1, delete lines 11 through 17.

17 Page 2, delete lines 1 through 14, begin a new paragraph and insert:

18 "(g) An insurer shall establish a payment rate for a health care
19 service rendered by a dialysis treatment provider at a
20 non-contracted dialysis facility based on the following:

- 21 (1) The type of health care service rendered.
- 22 (2) The fees usually charged by the dialysis treatment
- 23 provider.
- 24 (3) The prevailing rate paid to a dialysis treatment provider
- 25 by insurers in the same geographic area during the preceding
- 26 twelve (12) months.

27 (h) In establishing a payment rate under subsection (g), an
28 insurer shall:

- 29 (1) not consider Medicaid and Medicare payment rates; and
- 30 (2) establish the payment rate at an amount equal to not less
- 31 than the greater of the following payment rates paid by the
- 32 insurer during the previous twelve (12) months:
- 33 (A) The payment rate paid to the dialysis treatment
- 34 provider for health care services rendered at a contracted
- 35 dialysis facility.
- 36 (B) The payment rate paid to the dialysis treatment
- 37 provider for health care services rendered at a
- 38 non-contracted dialysis facility.

1 **(C) The payment rate paid to any dialysis treatment**
 2 **provider for health care services rendered at a contracted**
 3 **dialysis facility."**

4 Page 2, line 15, delete "(e)" and insert "(i)".

5 Page 2, line 16, delete "the open enrollment period during which".

6 Page 2, line 16, delete "becomes" and insert "**elects coverage**".

7 Page 2, line 17, delete "covered".

8 Page 2, line 19, delete "unless the insured becomes eligible for" and
 9 insert "**including the insured's out of pocket expenses.**".

10 Page 2, delete lines 20 through 42, begin a new line block indented
 11 and insert:

12 **"(2) Change coverage or benefits in any way that would affect**
 13 **dialysis treatment provided at a non-contracted dialysis**
 14 **facility.**

15 **(j) An insurer shall not do the following:**

16 **(1) Make changes in coverage under a policy of accident and**
 17 **sickness in an attempt to cause an insured to elect Medicare**
 18 **as the insured's primary coverage.**

19 **(2) Require an insured, as a condition of coverage, to travel**
 20 **more than fifteen (15) miles or for longer than thirty (30)**
 21 **minutes from the insured's home to obtain dialysis treatment,**
 22 **regardless of whether the insured chooses to receive dialysis**
 23 **treatment at a contracted dialysis facility or a non-contracted**
 24 **dialysis facility.**

25 **(3) Interfere with a physician's treatment of an insured.**

26 **(k) An insurer shall do the following:**

27 **(1) Make all claim payments for health care services provided**
 28 **by a dialysis treatment provider payable only to the dialysis**
 29 **treatment provider and not to the insured, regardless of**
 30 **whether the health care services are provided in a contracted**
 31 **dialysis facility or a non-contracted dialysis facility.**

32 **(2) File with the department an annual evaluation of whether**
 33 **the insurer's network of all dialysis treatment providers is**
 34 **sufficient to provide health care services to insureds covered**
 35 **under a policy of accident and sickness insurance issued by**
 36 **the insurer.**

37 **(3) File with the department an annual evaluation of whether**
 38 **the insurer is in compliance with this section."**

1 Page 3, delete lines 1 through 37.

2 Page 3, line 38, delete (2) and insert "(4)".

3 Page 4, line 6, delete "(3)" and insert "(5)".

4 Page 4, line 7, delete "(2)" and insert "(4)".

5 Page 4, line 9, delete "(4)" and insert "(6)".

6 Page 4, line 9, delete "seventy" and insert **"fifty percent (50%) of**
 7 **the dialysis facilities in the geographic area in which health care**
 8 **services are provided by the network."**

9 Page 4, delete lines 10 through 13, begin a new paragraph and
 10 insert:

11 **"(l) The commissioner shall, not more than thirty (30) days after**
 12 **receiving a filing under subsection (k)(2), approve the filing or**
 13 **make recommendations for changes to the network."**

14 Page 4, line 14, delete "(k)" and insert "(m)".

15 Page 4, between lines 15 and 16, begin a new paragraph and insert:

16 **"SECTION 2. IC 27-13-1-11.5 IS ADDED TO THE INDIANA**
 17 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 18 **[EFFECTIVE UPON PASSAGE]: Sec. 11.5. "Dialysis facility"**
 19 **means an outpatient facility in Indiana at which a dialysis**
 20 **treatment provider provides dialysis treatment."**

21 Page 4, delete lines 26 through 42, begin a new paragraph and
 22 insert:

23 **"(c) A health maintenance organization shall establish a**
 24 **payment rate for a health care service rendered by a dialysis**
 25 **treatment provider at a dialysis facility that is not a participating**
 26 **provider based on the following:**

27 **(1) The type of health care service rendered.**

28 **(2) The fees usually charged by the dialysis treatment**
 29 **provider.**

30 **(3) The prevailing rate paid to a dialysis treatment provider**
 31 **by health maintenance organizations in the same geographic**
 32 **area during the preceding twelve (12) months.**

33 **(d) In establishing a payment rate under subsection (c), a health**
 34 **maintenance organization shall:**

35 **(1) not consider Medicaid and Medicare payment rates; and**

36 **(2) establish the payment rate at an amount equal to not less**
 37 **than the greater of the following payment rates paid by the**
 38 **health maintenance organization during the previous twelve**

- 1 **(12) months:**
- 2 **(A) The payment rate paid to the dialysis treatment**
- 3 **provider for health care services rendered at a dialysis**
- 4 **facility that is a participating provider.**
- 5 **(B) The payment rate paid to the dialysis treatment**
- 6 **provider for health care services rendered at a dialysis**
- 7 **facility that is not a participating provider.**
- 8 **(C) The payment rate paid to any dialysis treatment**
- 9 **provider for health care services rendered at a dialysis**
- 10 **facility that is a participating provider."**
- 11 Page 5, delete lines 1 through 3.
- 12 Page 5, line 4, delete "(d)" and insert "(e)".
- 13 Page 5, line 5, delete "the open enrollment period during".
- 14 Page 5, line 6, delete "becomes covered" and insert "**elects**
- 15 **coverage"**.
- 16 Page 5, line 8, delete "unless the enrollee becomes eligible for" and
- 17 insert "**including the enrollee's out of pocket expenses."**
- 18 Page 5, delete lines 9 through 42, begin a new line block indented
- 19 and insert:
- 20 **"(2) Change coverage or benefits in any way that would affect**
- 21 **dialysis treatment provided at a dialysis facility that is not a**
- 22 **participating provider.**
- 23 **(f) A health maintenance organization shall not do the**
- 24 **following:**
- 25 **(1) Make changes in coverage under an individual contract or**
- 26 **a group contract in an attempt to cause an enrollee to elect**
- 27 **Medicare as the enrollee's primary coverage.**
- 28 **(2) Require an enrollee, as a condition of coverage, to travel**
- 29 **more than fifteen (15) miles or for longer than thirty (30)**
- 30 **minutes from the enrollee's home to obtain dialysis treatment,**
- 31 **regardless of whether the enrollee chooses to receive dialysis**
- 32 **treatment at a dialysis facility that is a participating provider**
- 33 **or a dialysis facility that is not a participating provider.**
- 34 **(3) Interfere with a physician's treatment of an enrollee.**
- 35 **(g) A health maintenance organization shall do the following:**
- 36 **(1) Make all claim payments for health care services provided**
- 37 **by a dialysis treatment provider payable only to the dialysis**
- 38 **treatment provider and not to the enrollee, regardless of**

1 **whether the health care services are provided in a dialysis**
 2 **facility that is a participating provider or a dialysis facility**
 3 **that is not a participating provider.**

4 **(2) File with the department an annual evaluation of whether**
 5 **the health maintenance organization's network of all dialysis**
 6 **treatment providers is sufficient to provide health care**
 7 **services to enrollees covered under an individual contract or**
 8 **a group contract entered into by the health maintenance**
 9 **organization.**

10 **(3) File with the department an annual evaluation of whether**
 11 **the health maintenance organization is in compliance with this**
 12 **section."**

13 Page 6, delete lines 1 through 25.

14 Page 6, line 26, delete (2) and insert **"(4)"**.

15 Page 6, line 36, delete "(3)" and insert **"(5)"**.

16 Page 6, line 37, delete "(2)" and insert **"(4)"**.

17 Page 6, line 39, delete "(4)" and insert **"(6)"**.

18 Page 6, line 39, delete "seventy" and insert **"fifty percent (50%) of**
 19 **the dialysis facilities in the health maintenance organization's**
 20 **service area."**

21 Page 6, delete lines 40 through 42, begin a new paragraph and
 22 insert:

23 **"(h) The commissioner shall, not more than thirty (30) days**
 24 **after receiving a filing under subsection (g)(2), approve the filing**
 25 **or make recommendations for changes to the network."**

26 Page 7, delete lines 1 through 2.

27 Page 7, line 3, delete "(j)" and insert **"(i)"**.

28 Page 7, line 6, delete "December" and insert **"July"**.

29 Page 8, line 2, delete "June" and insert **"April"**.

30 Page 8, line 6, delete "June" and insert **"April"**.

- 1 Page 8, after line 6, begin a new paragraph and insert:
- 2 "SECTION 6. **An emergency is declared for this act.**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1323 as introduced.)

and when so amended that said bill do pass.

Representative Fry